

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|----------------------------|---|------------|
| PURCHASED WATER ADJUSTMENT |) | CASE NO. |
| FILING OF FARMDALE WATER |) | 2009-00220 |
| DISTRICT |) | |

O R D E R

On June 16, 2009, Farmdale Water District (“Farmdale”) submitted an application for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹ The Commission issued an Order on July 15, 2009 in this proceeding setting the rates for Farmdale based on the ordered decrease of the wholesale rate for water purchased from the Frankfort Electric and Water Plant Board (“Plant Board”).² In another Order, dated June 26, 2009, the Commission stated that it would gather additional information in order to calculate the refund owed to Farmdale’s customers in accordance with 807 KAR 5:068, Section 2(4). Farmdale submitted responses to the Commission Staff’s data requests on July 1 and July 23, 2009.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Farmdale purchases water from the Plant Board.

¹ KRS 278.015; 807 KAR 5:068.

² Case No. 2008-00250, *Proposed Adjustment of the Wholesale Water Service Rates of Frankfort Electric and Water Plant Board* (Ky. PSC Apr. 6, 2009).

2. The Plant Board refunded \$5,806.12 to Farmdale, as ordered by the Commission in Case No. 2008-00250.³

3. Farmdale refunded \$2,832.86 to its customers in June and July 2009, which was directly related to the refund received by Farmdale from the Plant Board.

4. Farmdale identified an additional \$1,713.73 that it refunded in March 2009, but this refund remedied Farmdale's collection of a purchased water adjustment that had not yet been approved by the Commission. It, therefore, does not relate to the \$5,806.12 refunded by the Plant Board.

5. Farmdale estimates that 18,599,300 gallons of water will be sold during the August billing period.

6. Based on Farmdale's estimated gallons of water to be sold in August, it should refund its customers an additional \$0.16 per 1,000 gallons.⁴

7. The refund factor of \$0.16 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS HEREBY ORDERED that:

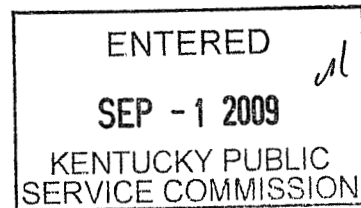
1. The final refund factor of \$0.16 per 1,000 gallons is approved.
2. Farmdale shall credit its customers \$0.16 per 1,000 gallons on its next billing.
3. Within 20 days of that billing, Farmdale shall confirm with the Commission, in writing, that the refunds were made. The confirmation should include the actual total

³ *Id.*

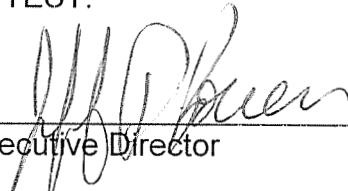
⁴ This is calculated by taking the difference between \$5,806.12 and \$2,832.86, which is \$2,973.26, and dividing that number by 18,599,300.

amount refunded and a statement by district personnel attesting that the refunds were made.

By the Commission



ATTEST:



Executive Director

Berl Robinson
Chairman
Farmdale Water District
100 Highwood Drive
Route 8
Frankfort, KY 40601